



# COURT NEWS

Chief Judge Barry Russell

2004

Jon D. Ceretto, Executive Officer/Clerk

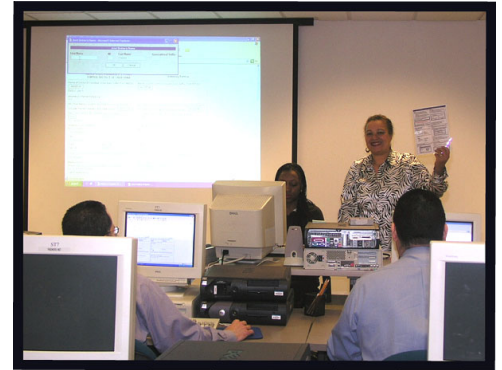
## SIGN UP FOR *eFile* WORKSHOPS - DON'T GET LEFT BEHIND

As part of the Court's current outreach activities which highlight the many benefits of using *eFile*, the District's electronic filing system, the Court is holding approximately 30 *eFile* workshops in April and May 2004. Through April 30, 114 attorneys and their staffs attended the three hour workshop where participants were provided a "hands on" opportunity to prepare and submit an electronic chapter 7 voluntary petition in a training environment. Practitioners who attend the workshops were also given the opportunity to ask the Court's IT staff technical questions about *eFile*.

As the Court's *eFile* system may become mandatory in the near future, it is strongly recommended that practitioners take advantage of this training opportunity and get on board with *eFile* now. Many of you are aware that in the last 4 years, the court has lost about a third of its staff due to declining budgets, mostly through involuntary staff reductions.

*eFile* saves both the Court and you time and money. If you have not already done so, now is the time to register for, and begin using, *eFile*.

Most attorneys find that filing electronically is a convenient, cost-effective method of filing with the Court. *eFile* currently accepts the electronic submission of chapter 7 voluntary petitions, Motions for Relief from the Automatic Stay, and complaints. *eFile* is a user-friendly system that is available 24 hours a day, 7 days a week, that registered users can use to file documents from their computers using an Internet connection. Petition copies required by Local Bankruptcy Rule 1002-1(e)(2) are waived when filing electronically. Also, filers using *eFile* can enter the Master Mailing List data directly into the *eFile* system, thereby eliminating the requirement to submit the Master Mailing List in paper format (or on a diskette for cases with more than 100 creditors or equity holders).



To sign up for a remaining workshop, contact Karine Manvelian at (213) 894-3901. If you are not already registered to use *eFile*, you can register online from the *eFile* home page, which can be accessed at <https://efile.cacb.uscourts.gov> or through the *Electronic Services* -> *eFile* buttons of the Court's web site at [www.cacb.uscourts.gov](http://www.cacb.uscourts.gov). The *eFile* Support Center is available to assist you, and may be reached at (213) 894-2365 from 9:00 a.m. to 4:00 p.m. Monday through Friday (excluding federal holidays).

## REVISIONS AND ADDITIONS TO LOCAL BANKRUPTCY RULES TAKE EFFECT

Many significant revisions and additions to the Court's *Local Bankruptcy Rules* and associated forms become effective May 3, 2004. Local Bankruptcy Rules 1002-1, 1007-2, 1015-2, 2016-2, 3007-1, 3015-1, 9013-1, and 9075-1 were revised. Optional Form F 3011-1, *Motion for Order Releasing Unclaimed Funds*, was revised with the addition of a proof of service. Three new mandatory forms were added: F 1010-1, *Summons and Notice of Status Conference in an Involuntary Bankruptcy Case*; F 1015-2.1,

*Statement of Related Cases*, and F 5075-1.1, *Declaration to be Filed with Motion Establishing Administrative Procedures RE 28 U.S.C. § 156(c)*. Some highlights of the revisions and additions to the *Local Bankruptcy Rules* include:

**L.B.R. 1002-1, Form of Papers Filed with Court** - Revised to identify the documents required to commence a bankruptcy case and the documents due not later than 15 days after the filing of the petition.

**New L.B.R. 2072-1, Notice to Other Courts** - Requires the debtor or debtor's counsel to give each federal or state court in which the debtor is party to pending litigation or other proceeding notice of the filing of the bankruptcy.

**New L.B.R. 5075-1, Motions for Administrative Orders Pursuant to 28 U.S.C. § 156(c)** - Requires submission of a *Mega Case Procedures Checklist* to the Clerk's

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## REVISIONS AND ADDITIONS TO LOCAL BANKRUPTCY RULES TAKE EFFECT

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Office with the filing of a Motion Establishing Administrative Procedures Re: 28 U.S.C § 156(c) in any large bankruptcy case requiring special administrative procedures.

**New L.B.R. form F 5075-1.1, Declaration to be Filed with Motion Establishing Administrative Procedures RE 28 U.S.C. § 156(c)** - Declaration for *Mega Case Procedures Checklist* developed to implement new L.B.R. 5075-1.

**New L.B.R. form F 1015-2.1, Statement of Related Cases** - The existing court form was made a mandatory Official *Local Bankruptcy Rules* form.

**New L.B.R. form F 4001-1 Series** - The mandatory Relief From Stay forms were updated and renumbered from 350 to F 4001-1, *et. seq.*, and a declaration form, F 4001-1.DEC, was added.

A comprehensive list of the revisions and additions to the *Local Bankruptcy Rules* may be found on the Court's web site, <[www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)>, under *Procedures/Rules/Forms*, then *Local Bankruptcy Rules & Forms*, *Local Bankruptcy Rules and Forms - Effective May 3, 2004, List of Revisions*.

The revised *Local Bankruptcy Rules* and forms can be downloaded from the Court's web site, <[www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)>, by selecting *Procedures/Rules/Forms*, then *Local Bankruptcy Rules & Forms*. Printed copies are available for purchase from the on-site copy service at the Los Angeles, Riverside, Santa Ana, and San Fernando Valley divisions, and from the Clerk's Office in the Northern Division.



## DON'T MARK YOUR CALENDAR JUST YET, BUT ...

A tentative date of Friday, October 29, 2004, has been set for the second annual DAP Golf Tournament to benefit Public Counsel. The tournament will take place at Industry Hills Golf Course in the City of Industry. *Court News* will keep you updated on this worthy event.

## CERTAIN DOLLAR AMOUNTS IN THE BANKRUPTCY CODE ADJUSTED

On **April 1, 2004**, automatic adjustments to the dollar amounts stated in various provisions of the Bankruptcy Code became effective and apply to cases filed **on or after this date**. The Bankruptcy Reform Act of 1994 provides for automatic adjustments to these dollar amounts every three years on April 1.

These amended dollar amounts affect the eligibility of a debtor to file under chapter 13 of the Bankruptcy Code, certain maximum values of property a debtor may claim as exempt, the maximum amount of certain claims entitled to priority, the minimum aggregate value of claims needed to commence an involuntary bankruptcy, and the value of "luxury goods and services" deemed to be non-dischargeable.

The revised dollar amounts have been published in volume 69, number 36, of the Federal Register, page 8482, as required under 11 U.S.C. § 104(b)(2). The affected sections of the Bankruptcy Code and both the current and revised dollar amounts in those sections are available on the Federal Register web site, <<http://www.gpoaccess.gov/fr/>>. This information is also contained in Public Notice 04-003 on the Court's web site, <[www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)>, under *Notices & Orders -> Public Notices*.

Three court forms containing references to the affected dollar amounts have been revised and are available on the Court's web site, <[www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)>. The *Notice of Available Chapters* form and *Schedule E - Creditors Holding Unsecured Priority Claims* (Official Form B6E) may be found under *Procedures/Rules/Forms -> Petition Forms -> ALL*. The *Proof of Claim* form (Official Form B10) is located on the web site under *Procedures/Rules/Forms -> Court Forms*. Printed copies of the forms are also available at all divisional office locations throughout the Central District.

## VOLUNTEER OPPORTUNITIES FOR MULTILINGUAL ATTORNEYS

Over 200 identified languages are spoken in Los Angeles County. If you are an attorney who speaks a language other than English, the Public Counsel's Debtor Assistance Project (DAP) seeks your help. Many non-English speaking debtors are low-income individuals who cannot afford counsel.

The DAP matches *pro bono* attorneys to qualifying *pro se* debtors facing bankruptcy issues. Among the areas the DAP staff and volunteer attorneys assist debtors are: chapter 7 counseling, representation in § 523 non-dischargeability complaints, and reaffirmation hearing counseling. They also provide clients with information regarding petition preparer fraud and identity theft. Although all volunteer attorneys are needed, those with foreign language skills are especially desired.

Information about the DAP is found on the Court's web site, <[www.cacb.uscourts.gov](http://www.cacb.uscourts.gov)> -> *Special Programs -> Debtor's Assistance Project*. To become a volunteer, please call Magdalena Reyes-Bordeaux at (213) 385-2977, extension 115.

## COURT STAFFING REDUCED

As a result of a severe budget shortfall, the Court separated 22 Clerk's Office staff members effective April 2, 2004. Additionally, 11 staff members accepted buyout or early retirement offers, which the Court made available to reduce the number of involuntary separations necessary. These separations represent a reduction of more than 10% district-wide and is the third staffing reduction in four years. Over the past three years, 73 staff members have been involuntarily separated as a result of bleak judiciary budgets. This year's staff reduction, the largest in the Court's history, has been particularly difficult. To assist the separated employees, the Court provided approximately one month's notice prior to their separation; established a Career Transition Center to provide training and assistance with job searches, career planning, resume writing, and interviewing; relieved affected employees of their regular job duties so that they could focus on seeking new employment; and provided severance pay.

The Court continues to streamline operations and increase the overall efficiency of both case processing and public service, primarily through the use of technology. Despite fewer staff members to perform the work of the Clerk's Office, the Court is committed to continue providing superior service to the judges and public.

## ONLINE SIGN UP NOW AVAILABLE FOR



What is EBN? Electronic Bankruptcy Noticing, or EBN, is a service administered by the Bankruptcy Noticing Center (BNC) that allows court notices to be transmitted electronically, delivering them faster and more conveniently than traditional mail. Notices can be sent to recipients via e-mail, fax, or Electronic Data Interchange (EDI). EDI is designed for high-volume recipients (i.e., 200 or more notices per week), who elect to automatically process data. Participation in the program is voluntary and available free of charge. Printed notices will continue to be sent to parties who do not wish to receive notices electronically.

Recently, the program has been enhanced to provide more services. One new benefit is national EBN registration. Instead of signing up for EBN services with each individual court, the new National Creditor Registration Services (NCRS) requires subscribers to register only once for national service. Courts that use the NCRS are covered by a single noticing agreement. Individual noticing agreements still must be sent to the few courts that do not use the NCRS.

To sign up for EBN online or to learn more about the delivery methods available, may visit the Bankruptcy Noticing Center's (BNC) Electronic Noticing web site, <[www.EBNuscourts.com](http://www.EBNuscourts.com)>.

## Court Statistics January - April 2004

|                               | 2004<br>ANNUAL<br>ESTIMATE                | 2003<br>TOTAL                             | % CHANGE<br>04 vs 03         |
|-------------------------------|---|---|------------------------------|
| <b>Case Filings:</b>          |   |   |                              |
| <b>Case Commencement:</b>     |   |   |                              |
| Chp. 7                        | 57,394                                    | 65,227                                    | -12%                         |
| Chp. 11                       | 308                                       | 371                                       | -17%                         |
| Chp. 13                       | 6,070                                     | 10,088                                    | -40%                         |
| <b>*TOTAL</b>                 | <b>63,772</b>                             | <b>75,686</b>                             | <b>-16%</b>                  |
| <b>Complaints:</b>            |   |   |                              |
| Dischargeability              | 1,615                                     | 2,055                                     | -21%                         |
| Recover Money/Property        | 4,381                                     | 3,712                                     | 18%                          |
| All Other                     | 552                                       | 401                                       | 38%                          |
| <b>TOTAL</b>                  | <b>6,548</b>                              | <b>6,168</b>                              | <b>4%</b>                    |
| <b>Motions:</b>               |   |   |                              |
| Personal Property             | 4,736                                     | 6,346                                     | -25%                         |
| Real Property                 | 4,331                                     | 6,525                                     | -34%                         |
| Unlawful Detainer             | 735                                       | 883                                       | -17%                         |
| Other RFS                     | 469                                       | 504                                       | -7%                          |
| Dismiss                       | 8,836                                     | 9,916                                     | -11%                         |
| Dismiss/Convert               | 175                                       | 241                                       | -28%                         |
| Fees, Employment, Expenses    | 9,057                                     | 11,196                                    | -19%                         |
| <b>*TOTAL</b>                 | <b>28,339</b>                             | <b>35,611</b>                             | <b>-20%</b>                  |
| <b>National Filing Trends</b> | <b>12-Month period<br/>ending 12/2003</b> | <b>12-Month period<br/>ending 12/2002</b> | <b>% Change<br/>03 vs 02</b> |
| Chapter 7                     | 1,176,905                                 | 1,109,923                                 | 6.0%                         |
| Chapter 11                    | 9,404                                     | 11,270                                    | -16.6%                       |
| Chapter 13                    | 473,137                                   | 455,877                                   | 3.8%                         |
| <b>TOTAL</b>                  | <b>1,659,446</b>                          | <b>1,577,070</b>                          | <b>5.2%</b>                  |

\*Excludes Chapter 9 and Chapter 12 Filings



### 20 Largest and Other Cases of Interest Filed in the Last 24 Months

|                                     | Debtor Name                                      | Case Number    | Date Filed | Chapter | Asset Level in Millions | Liability Level in Millions | Last Milestone   |
|-------------------------------------|--|----------------|------------|---------|-------------------------|-----------------------------|--|
| Largest Cases (over \$100 M Assets) | Consolidated Freightways Corporation of Delaware | RS-02-24284-MG | 09/03/02   | 11      | \$1,110                 | \$2,211                     | Exclusive period to file plan extended   |
|                                     | Daewoo Motor America, Inc.                       | LA-02-24411-BB | 05/16/02   | 11      | \$232                   | \$56                        | Objection to claims extended   |
|                                     | USA Sogo Inc.                                    | LA-03-18660-SB | 03/31/03   | 7       | \$177                   | \$314                       | Trustee's intent to file Ch 7 of affiliate   |
|                                     | Imperial Credit Industries, Inc.                 | LA-03-28969-ES | 07/17/03   | 11      | \$169                   | \$291                       | Notice of sale of estate property  |
|                                     | Vista Hospital Systems, Inc.                     | RS-03-18901-DN | 06/10/03   | 11      | \$142                   | \$132                       | Order for fees to be paid  |
|                                     | InterDent Service Corporation                    | SA-03-13594-JR | 05/09/03   | 11      | \$139                   | \$348                       | Discharge 10/8/03  |
|                                     | Sun World International, Inc.                    | RS-03-11370-DN | 01/30/03   | 11      | \$138                   | \$121                       | Exclusive period to file plan extended (sixth)                                       |
| High Profile Cases*                 | Opal Concepts, Inc.                              | SA-02-15441-JR | 07/16/02   | 11      | \$50-100                | Over \$100                  | Order to Extend Plan   |
|                                     | OAN Services, Inc.                               | ND-02-13720-RR | 12/17/02   | 11      | \$94                    | \$124                       | Motion to approve compromise and settlement  |
|                                     | Centis Inc.                                      | SA-02-15865-JB | 07/31/02   | 11      | \$55                    | \$940                       | Order approving disclosure statement; conference hearing 05/27/04                    |
|                                     | Illuminations.com, Inc.                          | LA-04-10427-SB | 01/12/04   | 11      | \$52                    | \$55                        | Motion to extend time to file plan; set 05/04/04                                     |
|                                     | QualPro Corporation                              | SA-02-19719-JB | 12/18/02   | 11      | \$47                    | \$218                       | Plan and disclosure statement filed  |
|                                     | Spectrum Restaurant Group, Inc.                  | SA-03-15911-RA | 08/06/03   | 11      | \$39                    | \$107                       | Plan and disclosure statement filed  |
|                                     | Granada Hills Community Hospital                 | SV-02-20579-AG | 11/26/02   | 11      | \$35                    | \$32                        | Order Authorizing and Approving sale of debtor's Real Property assets free and clear |
|                                     | Strouds Acquisition Corporation                  | LA-03-23620-ER | 05/20/03   | 11      | \$27                    | \$36                        | Liquidation reconciliation hearing set   |
|                                     | Clothestime Stores, Inc.                         | SA-03-14555-RA | 06/13/03   | 7       | \$15                    | \$49                        | Administrative claims granted  |
|                                     | Checkmate Staffing, Inc.                         | SA-03-19318-JR | 12/29/03   | 11      | \$22                    | \$31                        | Plan to be filed by 07/02/04   |
|                                     | Santa Paula Memorial Hospital                    | ND-03-13454-RR | 12/22/03   | 11      | \$18                    | \$6                         | Order granting debtor to reject leases   |
|                                     | Sega Gameworks LLC                               | LA-04-15404-BB | 03/09/04   | 11      | \$26                    | \$36                        | Status conference set for May 5, 2004  |
|                                     | Interamericas Financial Holdings, Ltd            | LA-04-17892-ER | 04/04/04   | 7       | \$1-10                  | \$10-50                     | Motion to consolidate (7 cases) filed  |

\*based on a combination of Asset and Liability Levels, Number of creditors, high activity, and/or name recognition

### Court News

is published by the United States Bankruptcy Court for the Central District of California as an informational service for the practitioners and public of our Court.

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Suggestions and comments are always welcome.  
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